

GREGORY P. STONE (State Bar No. 78329)
gregory.stone@mto.com
STEVEN M. PERRY (State Bar No. 106154)
steven.perry@mto.com
ELIZABETH A. LAUGHTON (State Bar No. 305800)
elizabeth.laughton@mto.com
MUNGER, TOLLES & OLSON LLP
350 South Grand Avenue, 50th Floor
Los Angeles, California 90071-3426
Telephone: (213) 683-9100
Facsimile: (213) 687-3702

Attorneys for Plaintiff
FLEX LOGIX TECHNOLOGIES, INC.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA, SAN JOSE DIVISION

FLEX LOGIX TECHNOLOGIES, INC., a
Delaware corporation,

Plaintiff,

vs.

VENKAT KONDA, an individual, and
KONDA TECHNOLOGIES, INC., a
California corporation,

Defendants.

CASE NO.

COMPLAINT FOR:

- 1. FALSE ADVERTISING,
15 U.S.C. § 1125(a)(1)(B);**
- 2. UNFAIR BUSINESS PRACTICES,
CAL. BUS. & PROF. CODE
§ 17200 *et seq.***

DEMAND FOR JURY TRIAL

1 Flex Logix Technologies, Inc. (“Flex Logix”), a Delaware corporation, alleges:

2 **PARTIES**

3 1. Plaintiff Flex Logix is a Delaware corporation with its principal place of
4 business in the city of Mountain View, California. Flex Logix is registered to do business
5 in California.

6 2. Upon information and belief, defendant Venkat Konda (“Konda”) resides in
7 San Jose, California.

8 3. Upon information and belief, defendant Konda Technologies, Inc.
9 (“KondaTech”) is a California corporation with its principal place of business in San Jose,
10 California.

11 4. Upon information and belief, Konda owns and controls KondaTech.

12 5. Upon information and belief, Konda owns and manages a website with the
13 url *www.kondatech.com*.

14 **JURISDICTION AND VENUE**

15 6. This court has subject matter jurisdiction over Flex Logix’s claims pursuant
16 to 28 U.S.C. § 1331, in that Flex Logix has pled a claim under the Lanham Act, 15 U.S.C.
17 § 1125(a)(1), and the Court has supplemental jurisdiction over Flex Logix’s state law
18 claim pursuant to 28 U.S.C. § 1367.

19 7. This Court has personal jurisdiction over Defendants because: the claims
20 asserted against Defendants arise out of their commission of tortious acts in California;
21 they regularly do or solicit business in California; they engage in persistent courses of
22 conduct in California; and/or they expected or should reasonably have expected that the
23 conduct at issue would have consequences in California.

24 8. Venue in this district is proper under 28 U.S.C. § 1391 because a substantial
25 part of the events giving rise to the asserted claims took place in this district.

26 **INTRADISTRICT ASSIGNMENT**

27 9. Pursuant to Local Rule 3-5(b), Flex Logix alleges that assignment to the San
28 Jose Division is proper under Local Rule 3-2(e) because Plaintiff and Defendants have

1 their principal places of business and/or reside in the San Jose Division, as alleged *supra* at
2 paragraphs 1-3.

3 **BACKGROUND**

4 10. Flex Logix was incorporated in 2014. Flex Logix has developed advanced
5 technologies that enable FPGAs (field programmable gate arrays) to be easily embedded
6 into any SoC (system-on-chip). This embedded FPGA technology allows key functions to
7 be optimized or customized after a device is fabricated – even after a device is installed
8 into a system in the field — and has a wide range of applications. Flex Logix provides its
9 customers physical design and logic design files; training and assistance with architectural
10 issues, integration and testing; and licenses covering its intellectual property. Flex Logix
11 has spent years developing and optimizing its technology and has 11 issued patents.

12 11. KondaTech claims to be an IP licensing company that licenses FPGA
13 Routing Fabric IP and interconnection networks IP in general. KondaTech claims to have
14 been founded in 2007.

15 12. Beginning in or before March 2018, Konda began to make threats to Flex
16 Logix that if Flex Logix did not pay millions of dollars (and transfer equity) to Konda
17 and/or KondaTech, Konda would communicate false statements of fact regarding Flex
18 Logix and its employees to customers and potential customers of Flex Logix, as well as
19 “all the FGPA vendors.” Konda also stated that he was ready to “go to jail or . . . die” over
20 this matter and asked if Plaintiff was ready to do the same. When Flex Logix refused to
21 pay the requested millions of dollars to Defendants, Defendants adopted what Konda
22 called a “coarse [sic] of action” that included making false statements to Flex Logix’s
23 customers and potential customers that two of Flex Logix’s founders were “fraud people”
24 who had “stolen” Defendants’ IP.

25 13. Defendants have created and are operating a website at kondatech.com.
26 Upon information and belief, this website is generally and widely accessible to the public.
27 Defendants use this website in part to advertise and promote Konda’s “FPGA Routing
28 Fabric IP and interconnection networks IP.” Defendants’ website contains a scroll on the

1 home page that falsely states that “[f]raudsters Cheng Wang and Dejan Markovic started
 2 Flex-Logix with Stolen Interconnect IP from Konda Technologies.” Defendants’ website
 3 also has a section titled: “Fraudsters Wang & Markovic found Flex-logix with stolen IP
 4 from Konda.” Defendants’ website also contains a section titled “Fraudsters Wang
 5 Markovic Stole Konda IP,” where Defendants falsely accuse two of Flex-Logix’s founders
 6 of engaging in “research misconduct” involving “falsification, fabrication and plagiarism.”

7 14. The statements by Defendants cited in this Complaint are false and made in
 8 bad faith and are likely to deceive a substantial segment of the recipients of Defendants’
 9 statements. Konda has specifically stated that “if we do not settle I will turn even nasty on
 10 all the people involved in stealing Konda IP and also[]supporting it.”

11 15. The statements by Defendants cited in the Complaint are likely to influence
 12 decisions by Plaintiff’s customers and potential customers regarding their use of Plaintiff’s
 13 FPGA architecture.

14 16. As Defendants know, allegations that a small start-up has “stolen” IP from a
 15 competitor are likely to have adverse consequences in terms of customer acceptance,
 16 hiring and retention, and potential investments. The false statements by Defendants cited
 17 in this Complaint are likely to cause injury to Plaintiff either by directly diverting of sales
 18 from Plaintiff to Defendants or other suppliers of FPGA technology, or by lessening the
 19 goodwill associated with Flex Logix and its advanced FGPA technology.

20 **FIRST CLAIM FOR RELIEF**

21 **Violation of Lanham Act, 15 U.S.C. § 1125(a)(1)**

22 17. Plaintiff incorporates by reference the allegations made in paragraphs 1-16,
 23 inclusive.

24 18. Defendants have made false statements of fact regarding Plaintiff, its
 25 technology, and its employees to Plaintiff’s customers and potential customers. Such false
 26 statements have been made in bad faith, for the purpose of influencing those customers and
 27 potential customers not to adopt or license Plaintiff’s FPGA technology and/or to adopt
 28 Defendants’ technology.

2. For actual, pecuniary, special and consequential damages in an amount to be determined at trial, but in no case less than \$45,000.

3. For a preliminary and permanent injunction requiring Defendants to retract their false statements of fact regarding Plaintiff and its employees and requiring Defendants to refrain from making those, and substantially similar, false statements in the future.

4. For costs of suit, including pursuant to 15 U.S.C. § 1117;

5. For attorneys' fees and additional damages pursuant to 15 U.S.C. § 1117; and

6. For such other and further relief that the Court deems appropriate.

DATED: July 13, 2018

Respectfully submitted,

MUNGER, TOLLES & OLSON LLP
GREGORY P. STONE
STEVEN M. PERRY
ELIZABETH A. LAUGHTON

By: /s/ Steven M. Perry

STEVEN M. PERRY

Attorneys for Plaintiff
FLEX LOGIX TECHNOLOGIES, INC.